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AUTHOR Inman, Marianne E.
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ABSTRACT

In January 1989 a survey of 300 U.S.-based multinational corporations was conducted, with two earlier studies forming a basis for comparison, to re-examine the foreign and second language and cross-cultural training needs of the companies. Existing policies pertaining to this training were also surveyed and the amount, types, and purposes of the training were investigated. The results of the survey (106 of the 300 companies responded) are summarized, and compared with earlier findings in such areas as the nature and location of the corporations' operations, languages most studied by employees and the compensation (if any) offered employees for language competence, language proficiency policies for overseas assignment, ways that language training can be obtained by employees, corporate language and cross-cultural training models, provision of English as a Second or Foreign Language, objectives of language training, and the challenges companies experienced with their language training programs. Recommendations are made for companies addressing training needs. (MSE)

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CORPORATE LANGUAGE STRATEGIES FOR GLOBAL MARKETS

Executive Summary

by

Marianne E. Inman, Ph.D.
Associate Dean of Academic Affairs

Alaska Pacific University
4101 University Drive
Anchorage, Alaska 99508
(907) 564-8242

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I gratefully acknowledge the contributions of the corporate men and women who took the time and concern to respond to the survey reported here. The complete responses, thoughtful and insightful comments, and even telephone calls made the study not only possible but deeply gratifying. Clearly the efforts of these companies are helping to realize our common goal of understanding and successful communication, which ultimately results in better business on a global scale.

CORPORATE LANGUAGE STRATEGIES FOR GLOBAL MARKETS

Introduction

The importance of excellent communication has long been recognized as critical to the success of all interpersonal dealings. Even when all parties to an interchange are speaking the same language, differences in communicative style can seriously impede the transmission of a message. Worse yet, these differences often prevent trust between conversation partners from developing and thus severely limit discussions.

The perils of a lack of attention to differences in language and culture in international business dealings have been documented elsewhere in some detail (see, for example, Inman, 1979 and Ricks, Fu, and Arpán, 1974). It is not unheard of, in fact, for companies to turn unsuccessful communications into teaching tools (Inman, 1985). Still, corporate executives have reported mixed results in achieving a high level of international communication even though significant resources are devoted to language and cross-cultural training for employees assigned to the international functions of their business (Inman, 1986).

The Study

With two earlier studies forming a basis for comparison (Inman, 1983 and Inman, 1985), in January 1989 a survey of 300 U.S.-based multinational corporations was conducted in order to re-examine the foreign and second language and cross-cultural training needs of these companies. Existing policies pertaining to that

training were also surveyed. In addition, the amount, types, and purposes of such training were investigated.

The companies contacted were selected at random from those listed in Dun & Bradstreet's index, *Principal International Businesses*, and identified as employing more than 5,000 persons. While smaller companies might very well offer sophisticated language and cultural training programs to their employees, larger companies were chosen because of the prominence of their responses in the earlier surveys noted above. The specific contact person at the corporate headquarters identified to receive the questionnaire was the Vice President of the International Division, the Vice President of International Human Resources, the Vice President of Human Resources, or the President, depending on who was listed by name in *Standard & Poor's Register of Corporations*. Four and a half weeks after the first mailing, a second mailing was sent to those who had not yet responded. Of the 300 companies surveyed, 106, or 35 percent, returned questionnaires.

General Findings

Companies responding reported that the primary nature of their international operations was marketing or manufacturing (61.2% and 56.5%, respectively), with services at 28.2% in third place. Western Europe was identified as the part of the world in which responding companies are doing the greatest amount of international business, followed by the Far East, Canada, Central and South America, and the Middle East. Africa, Eastern Europe and the Soviet Union, and India were the least frequently noted.

The five languages most studied by company employees are French, English (as a second or foreign language), Spanish, German, and Japanese. These are followed by Italian, Chinese, Arabic, Korean, Russian, Portuguese, Dutch and Norwegian. French and English were reported in almost equal frequency, despite the fact that only 25% of the companies reported providing English as a Second Language (ESL) instruction in the United States and 32.1% abroad. Over 50% of the companies, however, reported that they provide foreign language and/or cross-cultural training in conjunction with an international assignment. In order to reconcile the popularity of English with the lower percentages of companies offering instruction in it, probably greater numbers of employees are involved at those firms which do teach it than in those offering more widespread foreign language instruction. Interestingly, only one corporation reported that employees acquiring or maintaining a foreign language proficiency receive a pay differential: in this case, the amount was 5 to 10 percent.

Language Policies

Consistent with the results of previous studies, a foreign language capability was ranked far below technical or managerial ability as a criterion for selection for international assignments. After professional skills, previous international experience and the ability to adapt to a new environment outrank language ability. Still, 66 percent of the companies considered a foreign language capability "somewhat" important and 25 percent "very" important when hiring someone for their international division.

Further, nearly 45 pecent of corporations screen employees carefully prior to sending them on an international assignment. This assessment may include interviews, psychological testing, and "background checks" of the employee's family to determine suitability for living and working abroad. The importance of pre-departure language and cross-cultural training has already been noted, along with some technical, managerial, or other training such as foreign tax and legal systems; only 20 percent of companies indicated that they provided no training at all.

Some companies pointed out that language training is not necessary because a proficiency in a second or foreign language is a hiring criterion or because foreign nationals fluent in English as well as their native language are used in bilingual situations.

Relatively few companies have adopted a policy **requiring** a foreign language proficiency or cross-cultural training. English (as a foreign or second language) is required by 21.4 percent of companies while only 5.9 percent require foreign (i.e., non-English) languages and 7.1 percent require cross-cultural training. Far greater numbers consider these skills as "desirable but optional," or they simply have no official policy. For those companies requiring a foreign or second language capability, 40 percent demand total fluency in English (for non-native speakers of English), but less than 25 percent require such fluency in foreign languages. At the level of "working knowledge," 44 percent of companies require that capability for users of English as a second or foreign language, but only 26 percent demand it in foreign languages. Less than 15 percent of companies require only a minimum

ability in a foreign or second language. At all levels, the oral/aural skills of speaking and listening are preferred over the ability to read and write.

This necessary or desirable foreign or second language capability is obtained largely through instruction provided by the corporation (60.9 percent). Also ranking fairly high as a source of language ability were family associations with the language (46.9 percent), prior school or military training (43.8 percent), and living abroad previously (42.2 percent). Less than 20 percent of companies indicated that they required employees to obtain language instruction on their own time.

Training Models

Responding companies reported overwhelmingly that the bulk of their language and culture training requirements are performed under contract with (predominantly) a private, commercial instructional organization, with a private individual, or with a university or other educational institution. Far less frequently training is conducted by corporate employees who are either language instructors or who are employees whose main job is in a non-language or cultural teaching area. One company noted that self-instructional materials are available to employees.

Contractors are selected mainly by their national or international reputations, especially in the case of foreign language or cross-cultural instruction; this decision, moreover, tends to be made at corporate headquarters. English (as a second or foreign language) instruction, on the other hand, is more likely to be handled by a local vendor and the decision made at the individual plant or office. Cost effectiveness figures much less prominently in the decision than does knowledge of

or previous experience with the provider. One advantage, of course, to corporate clients of contracting with worldwide language teaching concerns is the continuity of curriculum which is ensured as employees move from one location to another even if there may not always be total satisfaction with the product.

Language and cultural training is generally performed in the United States, too, except for English (as a second or foreign language), which is more frequently taught outside the U.S. Large numbers of corporations reported the continuation of foreign language instruction once the employee was on location abroad.

Training is normally provided at the premises of the contractor in the case of foreign language and cross-cultural instruction, but English teaching is somewhat more commonly performed at the plant or office. Very little training takes place at employees' homes. In most cases, language and cultural training is offered during regular working hours, but significant numbers of companies also reported that language (but not cross-cultural) instruction is presented on employees' own time, thus splitting the commitment between employer and employee.

The amount of training provided as measured in number of hours varied dramatically. The average, however, was 100 hours for foreign language instruction, 105 hours for English as a second or foreign language, and 24 hours for cross-cultural training. Interestingly, this 24 hours of cross-cultural training represents a 50 percent increase over the 16 hours reported in my 1983 survey and a 300 percent increase over the 8 noted in the 1978 study. Since a number of respondents to the present study commented that communication problems related directly to language seem minor compared to those resulting from cross-cultural

differences, companies may do well to devote even more time to this type of training. Periodic workshops addressing specific work-related concerns, in addition to the initial training provided, would seem to yield significant benefits.

The elapsed time for training was most frequently reported as between 2 and 6 months, except for cross-cultural training, which tends to be be peformed in several days all at once prior to departure. Many respondents correlated the wide variations in amount of training provided with the differing needs and motivations of the participants. Language instruction, predictably, tends to be conducted either individually or in small groups up to five, while cross-cultural training is more commonly presented to groups of ten or more.

The reported purposes of the training varied according to the type of instruction. Foreign language learning is undertaken primarily to improve communication with clients or other international contacts or to improve communication among co-workers; in third place was improved communication with supervisory staff, followed by providing employees with skills for daily living and enabling employees to receive vocational, technical, or professional training. Significantly, several respondents supplied the response that their primary reason for providing foreign language instruction was to show respect for the host country.

English as a Second Language instruction (i.e., that which is conducted within the United States or other English-speaking country), however, is provided primarily to improve communication among co-workers and to improve communication with supervisory staff. Improved communication with clients or other international contacts ranked third, followed by skills for daily living and

vocational, technical, or professional training. Finally, English as a Foreign Language (i.e., that which is taught where English is not commonly used in society) is offered first of all to improve communication with supevisory staff and second to improve communication among co-workers. Communication with clients was third, with vocational training and skills for daily living ranking last. It still seems to be the case that corporate employees abroad need to develop proficiency in English in order to communicate with their expatriate English-speaking supervisors.

Language instruction in most cases (75 percent) is not adapted to any specific aspect of an employee's work. Where there is specific purpose language training, it was reported most often to be in the management area. Confirming earlier studies as well as intuition, the study showed that the great majority of international business dealings both within the United States and abroad are conducted in English. Commendably, however, over one-third of the companies reported that abroad U.S. nationals do speak the local language and that within the U.S. nearly one-fourth do. Where interpreters are needed, companies wisely generally hire this talent rather than relying on the foreign contact to do so.

Challenges

The major problem which companies reported experiencing with their language training programs was insufficient time overall for the instruction (56.8 percent of respondents). Inadequate employee language peformance at the completion of training ranked second (35.8 percent), with attendance problems

among trainees third (30.2 percent). Also identified as problem areas were not enough time per day devoted to language training (24.5 percent), selecting a suitable language training contractor (18.9 percent), and limited opportunities to practice newly acquired language skills (11.3 percent). Difficulty hiring and retaining qualified instructors and inadequate facilities and equipment, while noted by a few respondents (less than 10 percent each), did not appear to be major obstacles. Just over one-fourth of the companies (28.3 percent) indicated that they had encountered "no significant problems" with their language training programs.

The last question on the survey, and the one to which the responses have changed the most significantly over the last ten years, asked if the "international aspects of your company's business are hindered in any way by language or cross-cultural problems." Each of the earlier surveys which I have conducted has found successively more companies noting international communication problems; here the answers were divided equally between yes and no. Specifics centered on the difficulty of building bridges when languages and cultures are "not compatible," or on the loss of nuances and clarity in translations or in halting communications. Many references were made to the loss of potential business or revenues; one respondent wrote that you "cannot gain the necessary edge in business without speaking the language." Another noted the "difficulty in scoping markets inernationally" while another lamented the missed opportunities from errors of "omission rather than commission." Yet another mentioned that we "may not be taking advantage of all possible revenue opportunities." Someone else emphasized that "we are not at the level we used to be at" in linguistic sophistication. In the

personnel area, another respondent observed that "vacancies could be more quickly filled if middle management had broader language skills."

Almost as frequently as language problems were mentioned, though, was the issue of cross-cultural sensitivity and understanding, even when a common language (usually English) is used. Many respondents decried what they perceived to be an insensitivity to different cultures and ways of life and expressed a great need for additional cultural information. Issues of foreign legislation, for example, are "not always understood." One respondent noted that

> When both parties have an incentive to communicate, obstacles can be overcome. Where business drives are more marginal, language and cultural factors are more important.

Another recounted that "few Americans are willing or able to learn a foreign language." And another said, "Even though foreign customers and employees are accustomed to our lack of language skills, it is unrealistic to think it doesn't impact our image."

Recommendations

American multinational corporations are clearly and sometimes painfully aware of the missed opportunities or lost revenues resulting directly from an inability to conduct genuine, meaningful, and productive communication. They also observe that there is generally "not enough time" for language instruction, that participants do not attend classes regularly, and that often learners' performance at the conclusion of the training is not adequate to the communicative tasks required.

Companies would do well, therefore, to analyze their particular communication needs. What tasks need to be performed, in what language, and at what level of proficiency? Where have communication breakdowns occurred in the past? How can they be repaired and prevented in the future? What sociolinguistic aspects of communication are at work, and how do interpersonal considerations affect the nature and quality of conversations? What cultural assumptions are shared by the discussion partners?

Once a company's needs have been identified, a search must be undertaken for the most effective service provider. Care should be taken to examine the training philosophies and practices of various instructors or contractors, along with their curricula and materials. Professional qualifications of the instructors are also vitally important. If corporate staff are not prepared to conduct this needs assessment and vendor analysis themselves, then consultants representing professional applied linguistics or language teaching centers, clearinghouses or educational institutions should be engaged. Once the goals or purposes of language instruction have been identified, the effectiveness of the method or approach can then be assessed fairly readily. Where results do not match requirements, changes in training must be made.

Conclusion

Language capability and a basic ability to communicate are taken for granted by most people. Communicative style, while the controlling element in most exchanges, is also all too seldom considered in an analysis of effective working and

social relationships. Cultural differences, all-pervasive as well, are too often ignored, misunderstood, or considered a nuisance.

As all nations' economies become increasingly global, these critical components of communication must be given the importance they are due. The time and financial resources devoted to them will probably be minor compared to the added benefits in increased revenues, work satisfaction, and contributions to worldwide understanding which will result.

Corporations and educational institutions can and must forge new partnerships to accomplish purposes crucial to both. With each partner providing strengths unique to itself, both sides benefit. Moreover, by pooling resources and expertise, both can contribute to a formidable alliance. The language teaching profession, too, must be open to change and to the most effective use of human and technological resources as new methods are developed to match students' learning styles. Since language abilities are means and not ends in themselves, it is the responsibility of each of us involved in language learning and teaching to obtain the maximum value from those critical tools. The only way in which that can happen is to work continually to narrow the gap between consumers and providers.

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